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**From:**

**Sent:** Monday, July 14, 2008 2:40:50 PM

**To:**

**Cc:**

**Subject:** FW: Response to

You had asked whether the taxpayer in the subject referred matter could retain its EIN. After coordination with , we conclude the taxpayer may retain its EIN based on the analysis below.

Please contact me if you have any further questions.

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**Sent:** Friday, July 11, 2008 12:24 PM

**Subject:** Response to

-- sorry for not getting back to you sooner. We have reviewed the attached case and believe the taxpayer should continue to use its old EIN .

The brief facts of the case involve , a member of a consolidated group, which underwent the following changes:

(1) On , 2008, it converted from C Corporation to an association taxable as a corporation;

(2) On , 2008, the association taxable as a corporation checked the box to be treated as a partnership.

The question you asked us is whether "new" as a partnership can use the same EIN that "old" used while a C Corporation.

Step (1) is treated for Federal tax purposes as an F reorganization. Under Revenue ruling 73-526, since the surviving corporation is for Federal income tax purposes treated as the same corporation as the transferor corporation, the EIN should be continued to be used after the transaction.

Step (2) is treated for Federal tax purposes of a liquidation of . Section 301.7701-3(g)(1)(ii). The liquidation will either qualify for tax free treatment under sections 332 and 337 if distributed to a 80 percent corporate shareholder, or be taxable to the distributor and distributee under sections 331 and 336. Under section 301.6109-1(h) any entity that has an EIN will retain that EIN if its federal tax classification changes under section 301.7701-3.

Furthermore, under applicable state law, it appears that the surviving entity -- (as a partnership) retains all the liabilities of the prior corporation. Therefore, it should retain the old EIN number.